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May 11, 2007

CERTIFIED MAIL

Mrs. Linda Wayland, President Golden Shores Water Company Post Office Box 37 Topock, Arizona 86436

RE: GOLDEN SHORES WATER COMPANY - APPLICATION FOR A RATE INCREASE, DOCKET NOS. W-01815A-07-0117 AND W-01815A-06-0775

SECOND LETTER OF DEFICIENCY

Dear Mrs. Wayland:

In reference to your rate application received on February 23, 2007, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff found that your application was deficient on March 26, 2007. The Company submitted information in response to that letter. The information submitted did not sufficiently or completely address some of the deficiencies. In addition, Staff noticed one detailed schedule that was omitted. The continued deficiencies are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket Control receives an original and sixteen copies of the corrected pages.

You have 15 calendar days, or until May 29, 2007, to correct the deficiencies or make other arrangements with Staff to remedy your rate application.

Arizona Corporation Commission
DOCKETED

MAY 11 2007

DOCKETED BY

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Mrs. Linda Wayland May 10, 2007 Page 2

The Staff person assigned to your application is Jeffrey M. Michlik. He can be reached at (602) 364-2034, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

Elijah Abinah

Assistant Director/Acting Chief Accountant Financial & Regulatory Analysis Section Utilities Division

EAA:JMM:tdp

CC: Docket Control Center (sixteen copies)

Lyn Farmer, Hearing Division
Delbert Smith, Engineering
Consumer Services
Legal Division

Golden Shores Water Company Rate Application Docket No. W-01815A-07-0117 Test Year Ended June 30, 2006 Second List of Deficiencies

The specific items that have caused a second finding of deficiency are as follows:

1. For the revenue annualization of the 5/8 inch residential customer in the amount of \$6,238 see schedule C-2, page 5, please provide Staff with a revenue annualization to year end customers schedule. In addition, please provide Staff with a revised schedule C-2, page 1 (Summary of Adjustments).